



City of San Leandro

Meeting Date: May 19, 2014

Staff Report

File Number: 14-156

Agenda Section: ACTION ITEMS

Agenda Number: 10.A.

TO: City Council

FROM: Chris Zapata
City Manager

BY: David Baum
Finance Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: Staff Report for the 2014-15 Budget Amendment Reflecting Projected Budget Adjustments to the City's General Fund, Special Revenue Funds, Enterprise Funds and Internal Service Funds Budget

SUMMARY AND RECOMMENDATION

Staff recommends that the City Council review and accept the 2014-15 Budget Amendment reflecting projected budget adjustments, and adopt a resolution approving the 2014-15 Budget Amendment to the General Fund, Special Revenue Funds, Enterprise Funds, and Internal Service Funds Budget.

BACKGROUND

On June 3, 2013, the City Council adopted the City's first biennial budget for 2013-14 and 2014-15. The two-year budget reflects the vision of the City Council and supports the goals re-established by the Council on February 1, 2014. The two-year budget process requires an update to the second fiscal year 2014-15 based on the changes that have occurred over the last 12 months. Revenue estimates change and City service needs transform as the City Council goals and objectives are realized. Enhancements to the General Fund, Special Revenue Funds, and Enterprise Funds Budget implements the vision and direction for the broad range of services that meet the needs of the community in accordance with City Council policy. The 2014-15 budget amendment supports and adheres to the City Council's established resource allocation plan.

The City's quarter cent sales tax Measure Z was approved by over 60% of the voters in the November 2010 election. Measure Z's passage provides vital funding for continued maintenance of City services and is set to expire on March 31, 2018. Measure Z revenues are controlled locally for local services such as library after-school and summer programs, neighborhood patrol officers and fire prevention services. The Measure Z Oversight Committee convened on July 25, 2013 and provided the annual report to the Community and

City Council on September 16, 2013. The annual report confirmed that the Measure Z revenues were accounted for and properly spent in accordance with the voter's wishes. (Refer to Exhibit 5.)

DISCUSSION

Budget Considerations

The 2014-15 budget is the plan and the resource allocation that guides and assures implementation of the City Council policy and priorities. Several considerations have arisen over the last few months regarding additional resources and resource use that are now taken into account when proposing budget adjustments for 2014-15:

- GASB 67 and 68: In 2013-14 the Government Accounting Standards Board (GASB) Statement Number 67 revises existing guidance for the financial reports of most pension plans and in 2014-15 GASB Statement Number 68 will be implemented related to new pension reporting requirements. These requirements:
 - Recognize long-term obligation as liabilities on the balance sheet for the first time,
 - Measure annual pension benefit costs more comprehensively and comparably, and
 - Enhance pension plans disclosures and required supplementary information.
- Alameda County Fire Department Services: The 2014-15 adopted budget includes \$19,593,100 for contract fire services (a 3% increase from the 2013-14 adopted budget) and \$600,000 for the Other Post Employment Benefit (OPEB) set-aside. Alameda County proposed:
 - \$19,877,543 in contract service costs (the majority of the increase is associated with salaries and benefits) for 2014-15, and
 - \$720,000 for an engine replacement and part-time Deputy Fire Marshal SUV replacement.

The proposed additional costs from Alameda County are not included in the 2014-15 projected budget.

- Pension Changes: In April 2014, CalPERS announced a significant increase in the City of San Leandro's pension cost of \$1,150,000 per year. This increase represents almost \$13,000 per safety employee cost, commencing in 2015-16. The City's safety plan pension cost was \$2,700,000 in 2012-13. Despite the League of California Cities and CalPERS effort to clarify cause and effect, assumptions are unclear that have led to San Leandro receiving the largest incremental liability of any city in the State. The City has requested the CalPERS Board defer its May 21, 2014 authorization to allow time to understand the new methodology and impact on the 2015-16 budget. In the interim, staff has included the increased annual cost on the General Fund 7 year forecast (refer to Exhibit 3). This added cost continues a troubling trend of CalPERS' modified assumptions leading to increased costs during the past several years.
- PERS/OPEB Unfunded Liabilities are greater than \$100 million. The rising liability is partially offset by the City employees' new agreements in 2013, which require all to

share in pension and healthcare costs.

- **Economic Trends:** the current economic trends throughout the Bay Area show improvement in the housing market, auto and retail sales, and the job market, at rates exceeding the original projections. Consequently, the amended 2014-15 budget reflects increases in sales tax revenues and property tax revenues.

The 2014-15 budget amendment incorporates estimated revenues and planned expenditures for all funds. The following attached Exhibits provide summary data for all funds and for the General Fund:

- Exhibit 1 reflects the changes for All Funds revenues, resources and expenditures from the 2014-15 adopted budget to the 2014-15 projected budget
- Exhibit 2 reflects the changes for the General Fund revenues, resources and expenditures from the 2014-15 adopted budget to the 2014-15 projected budget
- Exhibit 3 is the graphical presentation of the General Fund 7 Year Forecast for Fiscal Years 2013-14 through 2019-20
- Exhibit 4 is the graphical presentation of the General Fund Reserves
- Exhibit 5 is the Measure Z Oversight Committee Annual Report of Measure Z Sales Tax June 30, 2013

The following discussion focuses on variances from the revenue and expenditure plans and allocations contemplated in the 2014-15 projected budget update.

General Fund

The General Fund finances the operations of the City that have no special or dedicated revenue sources and pays for basic municipal services. The projected 2014-15 General Fund expenditures total \$86.0 million and expected revenues of \$84.3 million, including \$1.7 million contributed from fund balance to finance the projected expenditures. The largest added expenditure is the San Leandro Hospital subsidy in the amount of \$1 million. Highlights based on the 2014-15 projected changes to the operating budget are set forth below.

General Fund Expenditures (refer to Exhibit 2)

- **Salaries and Benefits:** The salaries and benefits in the projected 2014-15 budget include the following updates:
 - Salary increases for both safety and miscellaneous based on the agreed-upon Memoranda of Understanding (MOU)
 - Employees sharing in the pension costs based on the MOU
 - The total 2014-15 projected increase is \$254,000 or a 0.6% increase
- **Services and Supplies:** The projected 2014-15 services and supplies include the following updates:
 - Local preference policy for \$100,000

- Emergency preparedness for \$100,000
- Next generation implementation in the General Fund for \$400,000
- Legal services increased to reflect the agreement for \$136,500
- Building permit costs associated with increased volume for \$200,000
- Parks maintenance increase for \$51,000
- The total 2014-15 projected increase is \$987,500, or a 13.5% increase.
- **Internal Service Fund Allocation:** The Equipment Maintenance Fund needs to replace equipment earlier than originally planned (patrol vehicle and towable man lift) which are the primary additional costs allocated to the General Fund totaling \$150,000.
- **Other:** The projected 2014-15 other increased expenditures include \$1,000,000 to San Leandro Hospital and \$450,000 for community investment, totaling \$1,450,000 for 2014-15.
- **Transfers:** The transfers from the General Fund projected for 2014-15 increased by \$400,000 due to one-time needs of \$50,000 for the Business Improvement District (BID) and \$350,000 for Capital Improvement Projects (Casa Peralta improvements and Marina Boulevard streetscape pre-design).

General Fund Revenue (refer to Exhibit 2)

- **Property Tax:** The assessed property values furnished in March 2014 by the Alameda County Tax Assessor's Office estimate an increase of 4.6% (excluding Kaiser exempt property); the projected 2014-15 property tax revenues reflect an increase of 2%, or \$363,000. A 2015 budget adjustment may be warranted pending the final tax roll report in August, 2014.
- **Sales Tax:** The updated sales tax revenues furnished by the City's consultant on February 21, 2014 reflect an increase of 6.7%, or \$1.88 million, based on better than anticipated sales in the City; therefore, the projected 2014-15 sales tax revenues include the optimistic projections of 6.7% increase.
- **Franchise Fees:** The year-to-date actual revenues annualized for cable and Oro Loma exceed the current year's budget; therefore, included are the estimated increases totaling \$195,000 in the projected 2014-15 franchise fee revenues.
- **Utility Users' Tax (UUT):** The UUT for electricity and gas actuals for the current year are under budget which may reflect a combination of conserving energy and alternative energy usage; therefore, the projected 2014-15 UUT shows a decrease of \$119,000, or a 1.1% decline.
- **Licenses & Permits:** The building permit revenue is projected to increase in 2014-15 by \$200,000 in order to cover advanced and long-term planning costs.

The remaining taxes and other revenues for 2014-15 are not expected to change.

Special Revenue Funds (refer to Exhibit 1)

Special Revenue Funds include revenues that have either restrictions on their use or special reporting requirements such as gas tax revenues from the State. The City has 19 special revenue funds, with 12 of these funds reflecting projected changes to the 2014-15 revenues totaling a decrease of \$98,807. The 2014-15 projected expenditures estimate an increase of \$104,330. The Special Revenue funds highlighted for consideration are the Gas Tax Funds, and the Affordable Housing Asset Fund.

- **Gas Tax Funds:** The State gas tax revenues based on the January 2014 State report shows a \$380,700 decrease in revenues associated with the Board of Equalization projections of gas consumption and gas rates. In response to this decrease in revenues, the Gas Tax Fund decreased the annual overlay and street sealing work for 2014-15. In May, 2014, the State will issue an updated gas tax revenue report, and if significantly different, it shall be presented to Council for consideration.
- **Affordable Housing Asset Fund:** This fund accounts for assets received from affordable housing activities and programs from the former Redevelopment Agency Low/Moderate Housing fund and acts as its Successor Agency. The 2014-15 projected revenues are increasing by \$187,000 with 93% related to reimbursements and principal loan repayments.

Enterprise & Internal Service Funds (refer to Exhibit 1)

Four Enterprise Funds make up the City's business type operations. The Water Pollution Control Plant Fund, Environmental Services Fund, Shoreline Enterprise Fund, and the Storm Water Fund are City municipal operations designed to fully recover costs through user fees. The overall 2014-15 projected revenues increased by \$81,915 and the projected expenditures increased by \$342,915 with the majority of these changes found in the Water Pollution Control Plant Fund. Although the projected changes to the Shoreline Fund are minimal, and the deficit continues to diminish, it is important to note that the fund has long-term liabilities of over \$9 million in loans (\$7.1 million General Fund advance and \$1.9 million Cal-Boat loan).

There are also four Internal Service Funds that operate as business activities, exclusively supporting the City's internal operations. The Facilities Maintenance Fund, Information Technology Fund, Self Insurance Fund, and Equipment Maintenance Fund are the City's Internal Service Funds. The overall 2014-15 projected revenues increased by \$307,648 and the projected expenditures increased by \$256,947 with the majority of these changes found in the Equipment Maintenance Fund.

- **Water Pollution Control Plant:** The 2014-15 projected revenues increased by less than 1%, or \$88,910, primarily due to increased interest income. Expenditures increased by 3.7%, or \$353,758, essentially due to increased salaries and benefits.
- **Equipment Maintenance Fund:** The 2014-15 revenues and expenditures increased by \$224,332, or 8%, primarily associated with the early replacement of two vehicles: one patrol vehicle and a towable man lift.

Budget Adjustments

The 2014-15 projected budget adjustments fund summary is reflected on Attachment 1 of the corresponding resolution. Likewise, the projected 2014-15 detail adjustments by fund and by division are summarized on Attachment 2 of the resolution.

Current Agency Policies

- The City Council approves all adjustments to the City's revenue and expenditure appropriations.

Previous Actions

- City Council adopted the 2013-15 Biennial Budget on June 3, 2013.

Fiscal Impacts

The total reduction in the 2014-15 projected ending fund balance for the General Fund amounts to \$1,725,000. The projected fund balance at the end of 2014-15 is \$12,678,000. (See Exhibit 4 for a nine year history).

ATTACHMENTS

- Exhibit 1 Summary of 2014-15 Revenues and Resources by Category for all Funds and Summary of 2014-15 Operating Expenditures by Fund Type
- Exhibit 2 General Fund Summary of Revenues and Expenditures and General Fund Statement of Fund Balances
- Exhibit 3 is the graphical presentation of the General Fund 7 Year Forecast for Fiscal Years 2013-14 through 2019-20
- Exhibit 4 is the graphical presentation of the General Fund Reserves
- Exhibit 5 is the Measure Z Oversight Committee Annual Report of Measure Z Sales Tax June 30, 2013

PREPARED BY: David Baum, Finance Director, Finance Department

**SUMMARY OF 2014-15 REVENUES AND RESOURCES BY CATEGORY
ALL FUNDS**

Revenues by Category	2014-15 Adopted	2014-15 Projected	2014-15 Change
Property Taxes	\$ 18,117,466	\$ 24,735,850	\$ 6,618,384
Other Taxes	49,429,371	51,442,712	2,013,341
Licenses and Permits	7,080,940	7,336,122	255,182
Fine, Forfeits & Penalties	1,340,000	1,340,000	-
Interest & Property Income	5,431,414	5,445,672	14,258
From Other Agencies	13,588,673	6,985,475	(6,603,198)
Charges for Current Services	16,100,974	16,092,302	(8,672)
Other Revenues	1,772,797	2,057,880	285,083
Building Repairs & Maintenance	2,925,265	2,925,269	4
Telecommunications/Computer	3,844,400	3,934,284	89,884
Insurance Services	3,548,442	3,548,442	-
Equipment Maintenance	2,291,835	2,513,045	221,210
Administrative	2,002,140	2,002,140	-
Transfers from Other Funds	870,782	1,270,782	400,000
Total Operating Revenues	\$ 128,344,499	\$ 131,629,975	\$ 3,285,476
Use of Fund Balance/Reserves	2,048,154	2,970,416	922,262
Total Resources	\$ 130,392,653	\$ 134,600,391	\$ 4,207,738

SUMMARY OF 2014-15 OPERATING EXPENDITURES BY FUND TYPE

Fund Type	2014-15 Adopted	2014-15 Projected	2014-15 Change
General Fund	\$ 82,774,097	\$ 86,016,960	\$ 3,242,863
Special Revenue Funds	7,286,803	7,391,133	104,330
Capital Project Funds	-	350,000	350,000
Debt Service Funds	2,482,725	2,482,725	-
Enterprise Funds	13,975,780	14,318,695	342,915
Internal Service Funds	13,494,134	13,751,081	256,947
Redevelopment Agency Funds	-	-	-
Successor Agency Funds	6,494,197	6,488,183	(6,014)
Total Operating Expenditures	\$ 126,507,736	\$ 130,798,777	\$ 4,291,041

GENERAL FUND SUMMARY

<i>(Dollars in thousands)</i>	2012-13 Actual	2013-14 Adopted	2013-14 Projected	2014-15 Adopted	2014-15 Projected	2014-15 Difference
Revenues:						
Property Tax	\$ 17,632	\$ 17,854	\$ 18,127	\$ 18,117	\$ 18,480	\$ 363
Sales Tax	26,579	27,081	28,333	28,095	29,979	1,884
Utility User's Tax	9,888	10,166	10,007	10,233	10,114	(119)
Franchise Fees	4,444	4,182	4,395	4,224	4,419	195
Property Transfer Tax	2,956	2,519	2,519	2,519	2,519	-
Emergency Communication Access Fee (911)	2,723	2,700	2,700	2,700	2,700	-
Business License Tax	4,555	4,558	4,558	4,649	4,649	-
Other Taxes	428	306	403	309	403	94
Sub Total Taxes	69,205	69,366	71,042	70,846	73,263	2,417
Charges For Services	2,785	2,542	2,541	2,551	2,551	-
Interest & Property Income	919	1,205	1,242	1,204	1,204	-
Fines, Fees & Forfeitures	1,237	1,340	1,340	1,340	1,340	-
Intergovernmental	966	1,021	1,014	1,039	1,039	-
Licenses & Permits	1,460	1,575	1,610	1,614	1,851	237
Interdepartmental	2,002	2,002	2,002	2,002	2,002	-
Other/Transfers	1,414	443	480	1,043	1,042	(1)
Use of Assigned Fund Balance	2,394	-	-	-	-	-
Sub Total Other	13,177	10,128	10,229	10,793	11,029	236
Total Operating Revenue	82,382	79,494	81,271	81,639	84,292	2,653
Expenditures						
Salaries & Benefits	35,371	37,360	37,368	39,133	39,387	254
Services and Supplies	8,981	7,457	8,387	7,304	8,292	988
Fire Services Contract	18,377	19,023	19,022	19,593	19,593	-
Fire - OPEB Requirement	-	600	600	600	600	-
Capital Outlay	519	76	396	76	76	-
Debt Service	4,631	4,510	4,510	4,727	4,727	-
Internal Service Fund Changes	9,501	10,049	10,049	10,452	10,602	150
Other	172	151	130	151	1,601	1,450
Transfers Out	1,607	768	776	738	1,138	400
Total Operating Expenditures	79,159	79,994	81,238	82,774	86,017	3,243
Net Revenue (Expenditure)	3,223	(500)	33	(1,135)	(1,725)	(590)

GENERAL FUND STATEMENT OF FUND BALANCES

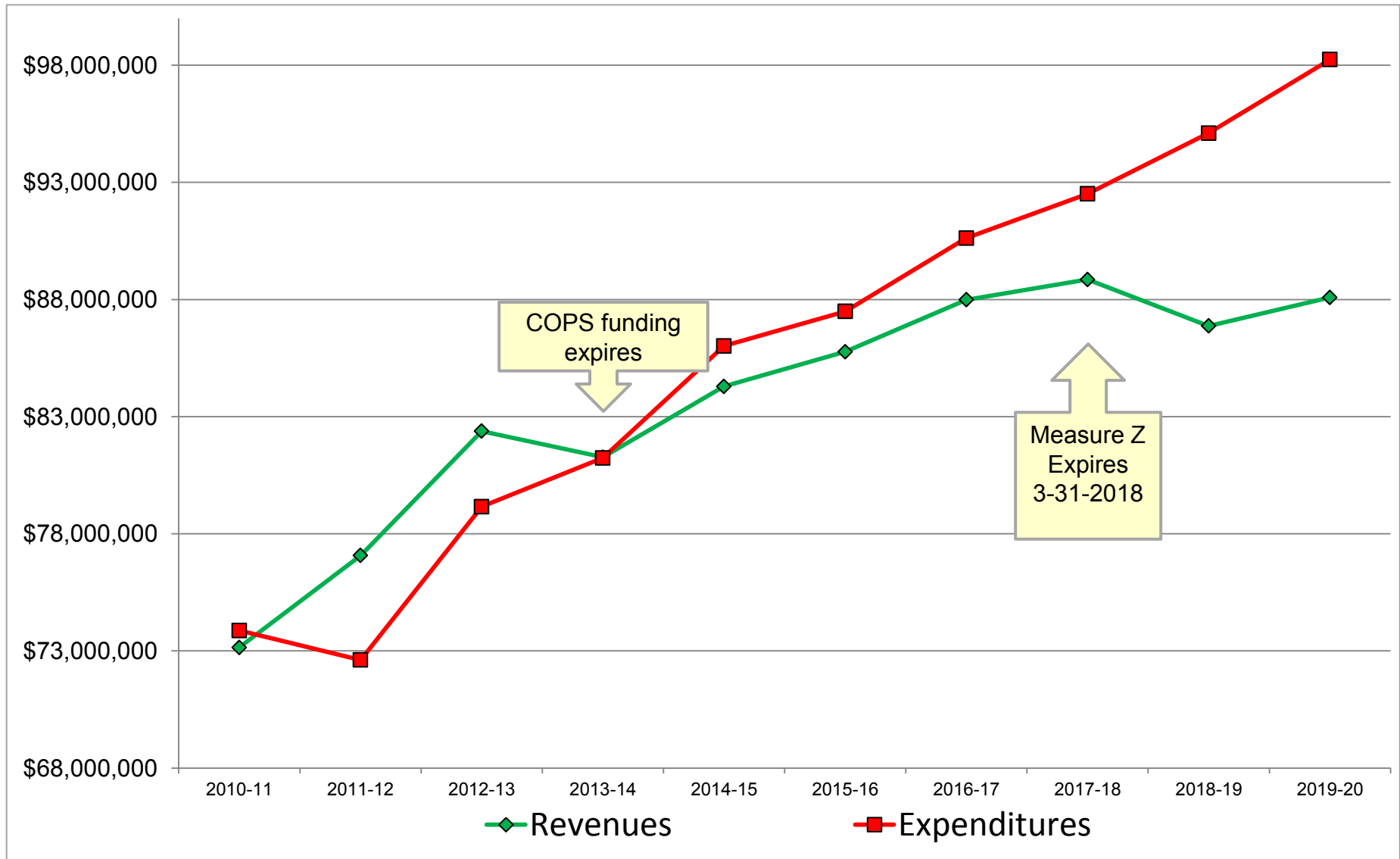
<i>(Dollars in thousands)</i>	2012-13 Actual	2013-14 Adopted	2013-14 Projected	2014-15 Adopted	2014-15 Projected
Major Emergencies	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Economic Uncertainty	8,170	4,877	8,203	4,742	7,678
Community Impact Fee	1,200	1,000	1,200	-	-
Total Fund Balance	\$ 14,370	\$ 10,877	\$ 14,403	\$ 9,742	\$ 12,678
	(Note 1)	(Note 2)		(Note 3)	

Notes:

- (1) For 2012-13 the Use of Assigned Fund Balance represents the use of \$2.1m for the Plaza Loan Reserve and \$260k in fund balance assigned to encumbrances and other reserves.
- (2) For 2013-14 changes in fund balance reflect the use of \$300,000 in Economic Uncertainty designation and \$200,000 in Community Impact Fee designation.
- (3) For 2014-15 changes in fund balance reflect the use of \$1,000,000 in Community Impact Fee designation and \$135,000 in Economic Uncertainty designation.

General Fund Forecast 2013-14 thru 2019-20

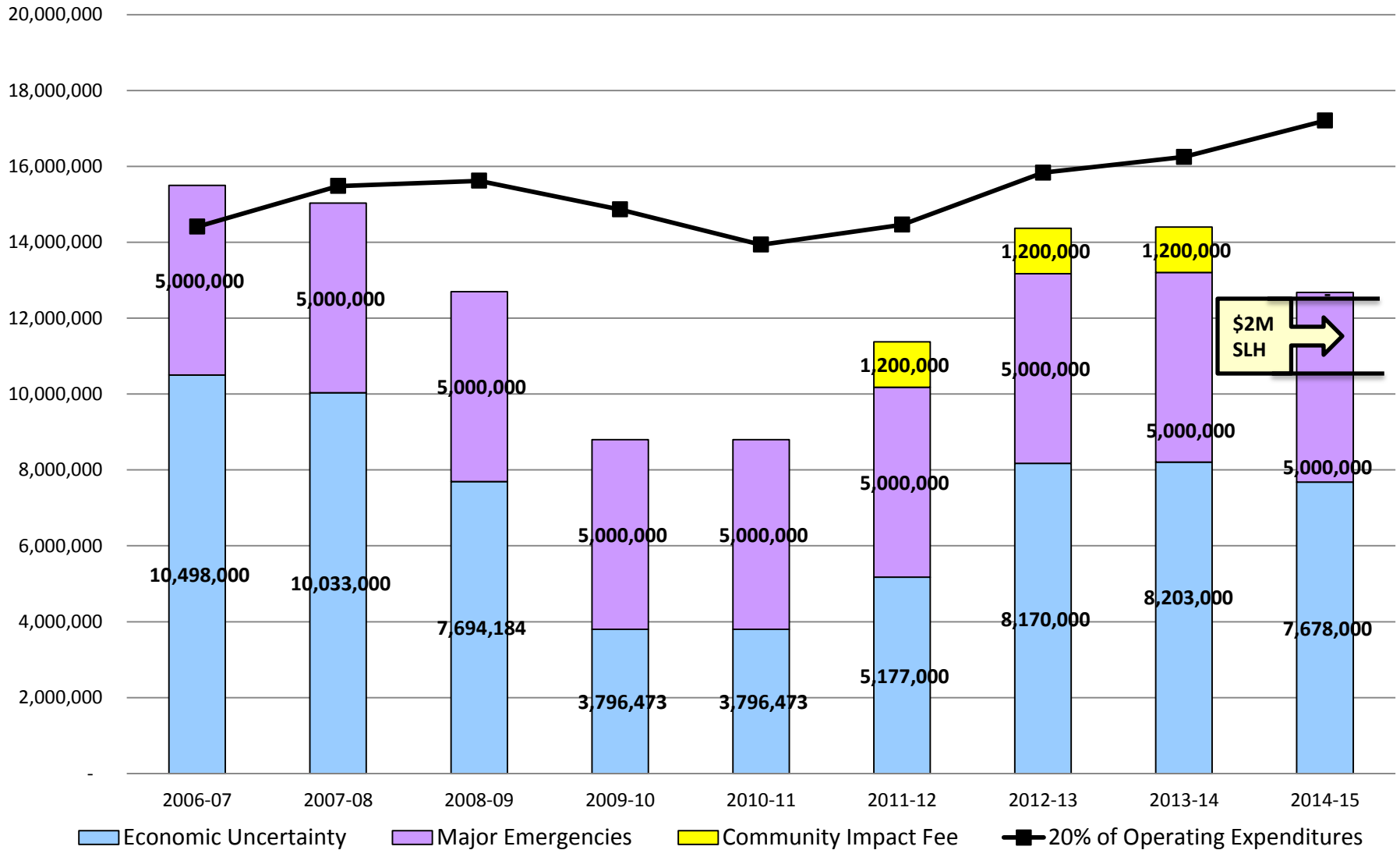
EXHIBIT 3



General Fund Reserves

Historical Data, 2006-07 thru 2014-15

EXHIBIT 4



Measure Z Oversight Committee

Annual Report of Measure Z Sales Tax

June 30, 2013

Executive Summary

On November 2, 2010, Measure Z quarter cent sales tax was approved by more than 60% of voters. The ballot language assured voters that Measure Z receipts would provide revenues to cover vital City services (see table below), expire March 31, 2018 be subject to annual audits and reviewed by a citizens' oversight committee:

	Potential Reduction to Services	Results with Measure Z Revenues
1.	Eliminate 7 more police officers	Police officer staff maintained
2.	Eliminate a code enforcement officer	Code enforcement officer maintained
3.	Eliminate an animal control officer	Animal Control officer maintained
4.	Remove a fire ladder truck and 9 firefighters	Fire ladder truck and 9 firefighters maintained
5.	Reduce street repairs	Street and road improvements maintained
6.	Reduce libraries	All library branches remained open
7.	Reduce senior programs	Senior Community Center opened and expanded senior programs
8.	Reduce youth recreation services	Youth recreation services and programs maintained and enhanced

This report is scheduled for presentation to the San Leandro City Council on September 16, 2013.

Background

On November 2, 2010, Measure Z quarter cent sales tax was approved by more than 60% of voters. The ballot language assured voters that Measure Z receipts expire March 31, 2018, are subject to annual audits and are reviewed by a citizens' oversight committee.

On April 2, 2012, the City Council passed a resolution authorizing the creation of the Measure Z Oversight Committee. City Council defines the scope of responsibility and duties of the Oversight Committee to include developing an annual report on the following:

- Amounts of Transaction and Use Tax revenue generated by Measure Z
- Use of the tax revenue and the impact on the City operating budget including a statement on the impact of the revenue in reducing the amount of cuts resulting from addressing the budget shortfall

- Statement of expenditures funded by Measure Z revenues
- Impacts of Measure Z on local business competitiveness and the collection of Sales Tax revenues
- Measure Z public information and transparency efforts
- Participation in developing a revenue sustainability plan and strategy

On December 3, 2012, City Council approved the five member Committee consisting of City leaders chosen from commercial and non-profit organizations.

During Fiscal Year 12-13, the City received its first full year of sales tax data related to Measure Z. These data are provided by the State Board of Equalization, which are typically six months in arrears.

Analysis

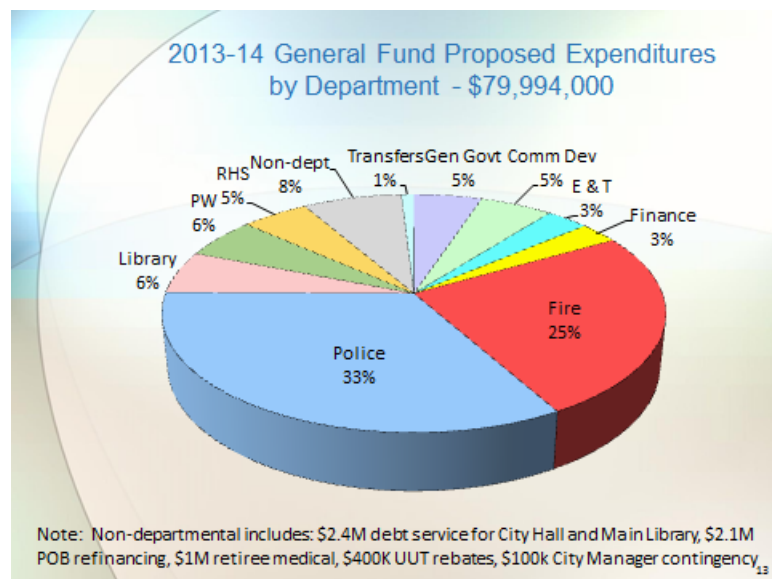
Amounts of Transaction and Use Tax revenue generated by Measure Z

The most recent information is available for the year-ended 9/30/12; \$4,097,404 Measure Z receipts were received. This represents 5.3% of projected General Fund Revenue for Fiscal Year 2012-13.

Use of the tax revenue and the impact on the City operating budget including a statement on the impact of the revenue in reducing the amount of cuts resulting from addressing the budget shortfall

The Measure Z revenue is available for any legal expenditure by the City. In the context of public safety, the annual revenue represents about 15.6% of the police department's Fiscal Year 12-13 budget, which is \$25.6 million, and 22% of the fire department budget, which is \$18.9 million. Without Measure Z, the sworn police officers totaling 90 could be cut by as much as 14 positions. Similarly, the current staff of 63 firefighters could be cut 14 positions without Measure Z. The ballot also indicated that Measure Z would sustain 9-1-1 emergency response times, neighborhood police patrols, investigation and gang suppression officers, library hours/programs, street and pothole repairs, youth after-school and senior programs, and other general City services. The City preserved funding for these programs and projects due to Measure Z.

Statement of expenditures funded by Measure Z



The abbreviations used in the pie chart are:

- PW (Public Works Department)
- RHS (Recreation and Human Services Department)
- Gen Govt (General Government – City Attorney, City Clerk, City Council, Human Resources, Finance and City Manager)
- Comm Dev (Community Development Department)
- E&T (Engineering and Transportation)
- POB (Pension Obligation bonds)
- UUT (Utility Users Tax).

The pie chart indicates that a total of 58% will be spent on public safety in Fiscal Year 13-14. The remaining 42% will fund libraries, parks, community development, infrastructure improvements, repairs, maintenance and administration. The City's Fiscal Year budget, which ends on June 30, is currently balanced.

Impacts of Measure Z on local business competitiveness and the collection of Sales Tax revenues

Sales tax revenue has increased since the inception of Measure Z. The upward trend indicates that the City continues to receive its share of local consumer spending. In the most recent Quarterly Report on Sales Tax and Business Activity (attached), San Leandro base sales tax (without counting Measure Z revenue) has grown 5.9%, despite the addition of Measure Z.

Measure Z public information and transparency efforts

Measure Z revenue has been highlighted each year in the City Council's adopted budget. In the recently adopted Biennial Budget Message, the following excerpt states: The City would have faced even greater service reductions if not for the additional revenue from Measure Z, the temporary, quarter cent sales tax measure approved by over 60% of the voters in the November 2010 election. Measure Z's passage generates about \$4,000,000 annually in additional revenue, allowing the City to maintain existing service levels. The Measure Z ordinance expires in five years on March 31, 2018.

Recommendation

It is recommended that the City Council accept the Annual Report and use this information to advance the discussion of revenue sustainability for the City.



City of San Leandro

Meeting Date: May 19, 2014

Resolution - Council

File Number: 14-157

Agenda Section: ACTION ITEMS

Agenda Number:

TO: City Council

FROM: Chris Zapata
City Manager

BY: David Baum
Finance Director

FINANCE REVIEW: David Baum
Finance Director

TITLE: RESOLUTION Approving a Budget Amendment to the City of San Leandro Budget for Fiscal Year 2014-15 (amends the General Fund, Special Revenue Funds, Enterprise Funds, and Internal Service Funds budget)

WHEREAS, the City Council approves annual budgets based on the best revenue and expenditure information available at the time budgets are prepared, and

WHEREAS, the biennial budget requires budget adjustments to incorporate changes that arise and require additional budget appropriations or re-appropriations between budget line items, and

WHEREAS, the City Council approved the current 2013-15 General Fund, Special Revenue Funds, Enterprise Funds, and Internal Service Funds Budget on June 3, 2013, and

WHEREAS, the summary of budget adjustments reflects projected budget changes submitted by City departments during the 2014-15 budget update process including the fund, the sources of additional revenues or transfers, and the purpose of new expenditures or transfers.

NOW, THEREFORE, the City Council of the City of San Leandro does RESOLVE as follows:

That the 2014-15 Budget is hereby amended as shown on that certain document entitled 2014-15 Projected Budget Adjustments by Fund and 2014-15 Projected Budget Adjustments Detail, copies of which are attached hereto and incorporated herein by reference.

**ALL FUNDS BUDGET SUMMARY
FOR FISCAL YEAR 2014-15 PROJECTED BUDGET ADJUSTMENTS**

ATTACHMENT 1

Fund Type/Name	Projected Fund Balance 06/30/14	2014-15 Adopted Revenue	2014-15 Projected Revenue	Revenue Change	2014-15 Adopted Expenditures	2014-15 Projected Expenditures	Expenditure Change	Projected Fund Balance 06/30/15
General Fund	\$ 25,477,402	\$ 81,638,585	84,291,764	2,653,179	\$ (82,774,097)	(86,016,960)	(3,242,863)	\$ 23,752,206
Special Revenue Funds:								
Street/Traffic Improv (DFSI)	512,135	90,750	90,750	-	(81,528)	(134,528)	(53,000)	468,357
Park Development Fees	212,300	26,000	26,000	-	(17,946)	(17,946)	-	220,354
Underground Utility Fees	1,060,390	71,500	71,500	-	-	-	-	1,131,890
Parking	(49,080)	250,160	250,160	-	(323,194)	(326,158)	(2,964)	(125,078)
Gas Tax	407,093	2,063,182	2,000,906	(62,276)	(2,043,381)	(2,055,961)	(12,580)	352,038
Gas Tax (Section 2103)	(214,949)	1,225,498	907,074	(318,424)	(1,063,690)	(692,125)	371,565	-
Measure B	83,069	1,546,101	1,526,161	(19,940)	(1,463,634)	(1,604,157)	(140,523)	5,073
Measure F	110,293	365,073	391,283	26,210	(345,624)	(475,366)	(129,742)	26,210
Asset Seizure	576,639	6,000	6,000	-	-	-	-	582,639
Heron Bay	328,325	367,495	344,580	(22,915)	(368,454)	(360,175)	8,279	312,730
Cherrywood Maint.	319,096	21,755	23,478	1,723	-	-	-	342,574
Proposition IB	11,495	-	-	-	-	-	-	11,495
Grants	-	591,826	611,940	20,114	(591,826)	(599,956)	(8,130)	11,984
CDBG	25,000	560,739	556,054	(4,685)	(513,536)	(578,549)	(65,013)	2,505
Home Grant Housing	-	144,170	174,049	29,879	(144,170)	(144,208)	(38)	29,841
Housing In Lieu	59,739	-	14,061	14,061	-	-	-	73,800
Affordable Housing Asset Fund	689,410	32,000	219,446	187,446	-	-	-	908,856
Business Improvement District	47,771	298,440	348,440	50,000	(296,920)	(346,920)	(50,000)	49,291
Public Education & Government	76,388	150,000	150,000	-	(32,900)	(55,084)	(22,184)	171,304
Total Special Revenue Funds	4,255,114	7,810,689	7,711,882	(98,807)	(7,286,803)	(7,391,133)	(104,330)	4,575,863
Capital Project Funds:								
Capital Improvements	1,186,760	-	350,000	350,000	-	(350,000)	(350,000)	1,186,760
CFD #1 Cherrywood	497,875	-	-	-	-	-	-	497,875
Total Capital Project Funds	1,684,635	-	350,000	350,000	-	(350,000)	(350,000)	1,684,635
Debt Service Funds:								
Assessment District Debt	64,235	-	-	-	-	-	-	64,235
Cherrywood Debt	962,115	484,972	464,866	(20,106)	(439,040)	(439,040)	-	987,941
Public Financing Authority	1,076,146	2,474,319	2,474,319	-	(2,043,685)	(2,043,685)	-	1,506,780
Total Debt Service Funds	2,102,496	2,959,291	2,939,185	(20,106)	(2,482,725)	(2,482,725)	-	2,558,956
Enterprise Funds:								
Water Pollution Control	862,621	12,266,000	12,354,910	88,910	(9,640,042)	(9,993,800)	(353,758)	3,223,731
Environmental Services	1,343,495	994,682	994,682	-	(1,116,069)	(1,126,183)	(10,114)	1,211,994
Shoreline Fund	631,731	2,238,800	2,240,477	1,677	(2,053,895)	(2,011,462)	42,433	860,746
Storm Water	186,929	1,081,000	1,072,328	(8,672)	(1,165,774)	(1,187,250)	(21,476)	72,007
Total Enterprise Funds	3,024,776	16,580,482	16,662,397	81,915	(13,975,780)	(14,318,695)	(342,915)	5,368,478
Internal Service Funds:								
Building Maintenance	818,348	2,938,805	2,939,769	964	(3,286,805)	(3,268,018)	18,787	490,099
Information Technology	648,976	3,851,900	3,941,784	89,884	(3,851,900)	(3,900,165)	(48,265)	690,595
Self Insurance	7,132,988	3,730,442	3,730,442	-	(3,730,321)	(3,733,458)	(3,137)	7,129,972
Equipment Maintenance	1,068,184	2,340,108	2,556,908	216,800	(2,625,108)	(2,849,440)	(224,332)	775,652
Total Internal Service Funds	9,668,496	12,861,255	13,168,903	307,648	(13,494,134)	(13,751,081)	(256,947)	9,086,318
Private Purpose Trust Funds:								
Successor Agency to the Redevelopment Agency	4,614,326	6,494,197	6,505,844	11,647	(6,494,197)	(6,488,183)	6,014	4,631,987
Total Private Purpose Trust Funds	4,614,326	6,494,197	6,505,844	11,647	(6,494,197)	(6,488,183)	6,014	4,631,987
Total All Funds	\$ 50,827,245	\$ 128,344,499	\$ 131,629,975	\$ 3,285,476	\$ (126,507,736)	\$ (130,798,777)	\$ (4,291,041)	\$ 51,658,443

**RECOMMENDED BUDGET ADJUSTMENTS - EXPENDITURE DETAIL
2014-15**

Department	Salaries/ Benefits	Services	Supplies	Capital Outlay	Other	Total Adjustments
GENERAL FUND						
CITY COUNCIL	\$ (661)				\$ (850)	\$ (1,511)
DISTRICT 1	1,283					1,283
DISTRICT 2	16,694					16,694
DISTRICT 3	202					202
DISTRICT 4	30,895					30,895
DISTRICT 5	1,283					1,283
DISTRICT 6	16,560					16,560
MAYOR	1,815					1,815
CITY CLERK	(15,383)				(332)	(15,715)
RECORDS MANAGEMENT	(6,539)					(6,539)
CITY ATTORNEY	-	136,490				136,490
CITY MANAGER	(51,423)	15,000			(982)	(37,405)
CM - INNOVATION DIVISION	600	50,000				50,600
FINANCE - ADMINISTRATION	3,702				(885)	2,817
FINANCE - BUDGET & COMPLIANCE	27,458					27,458
FINANCE - ACCOUNTING OPERATIONS	(29,122)					(29,122)
HUMAN RESOURCES -RECRUITMENT & SELECTION	(19,564)				(458)	(20,022)
CALIFORNIA CONSERVATORY THEATER	-				58,262	58,262
COMMUNITY INVESTMENT	-	100,000			1,450,000	1,550,000
PW SERVICES - ADMINISTRATION	23,519				(1,953)	21,566
PD - ADMINISTRATION	250,515				(6,673)	243,842
PD - CRIME PREVENTION & TRAINING	144,071				(799)	143,272
PD - RECORDS, COMMUNICATIONS & ID	(984,736)				(1,929)	(986,665)
PD - PATROL	298,262				176,974	475,236
PD - TRAFFIC	116,552				(13,777)	102,775
PD - INVESTIGATION	196,441				25,036	221,477
COMMUNITY STANDARDS	(235,218)				(7,369)	(242,587)
EMERGENCY COMMUNICATIONS SYSTEM	261,302				(94)	261,208
RED LIGHT SAFETY PROGRAM	8,244					8,244
EMERGENCY PREPAREDNESS	-	100,000				100,000
ANIMAL CONTROL	(121,663)				(1,555)	(123,218)
FIRE - SUPPRESSION	-				(67,373)	(67,373)
ELECTRICAL	13,446				5,225	18,671
STREET TREE MAINTENANCE	6,230				11,211	17,441
MEDIAN MAINTENANCE	717					717
PLANNING SERVICES	55,263	200,000			(687)	254,576
BUSINESS DEVELOPMENT	(39,714)	335,000				295,286
HOUSING SERVICES	37,013					37,013
RENT REVIEW PROGRAM	(25,000)					(25,000)
PROJECT DEVELOPMENT - E&T	(56,263)				(467)	(56,730)
BUILDING REGULATIONS	11,877				(3,175)	8,702
LAND USE - E&T	131,043				(144)	130,899
FLOODPLAIN MANAGEMENT	(1,785)					(1,785)
ENGINEERING/TRANSPORT ADMINISTRATION	(27,121)				(453)	(27,574)
RECREATION ADMINISTRATION	7,887				2,365	10,252
REC PROGRAM - BASIC	(34,425)					(34,425)
REC PROGRAM - SR/EXCURSIONS	(1,033)					(1,033)
KID'S CLUB	7,475					7,475
FRIENDS OF THE CREEK	912					912
RECREATION PROGRAMS - YOUTH SPORTS	4,876					4,876
RECREATION PROGRAMS - KIDDIE KOLLEGE	20,749				(493)	20,256
RECREATION PROGRAMS - DAY CAMP	16,279					16,279
YOUTH ADVISORY COMMISSION	6,205					6,205
REC PROGRAM- SUMMER ADVENTURE	4,653					4,653
COMMUNITY FACILITIES	14,346				(3,944)	10,402
PARK RESERVATIONS & SECURITY	14,843					14,843

**RECOMMENDED BUDGET ADJUSTMENTS - EXPENDITURE DETAIL
2014-15**

Department	Salaries/ Benefits	Services	Supplies	Capital Outlay	Other	Total Adjustments
FIELD RENTAL	15,171					15,171
SWIM-MANOR	9,155				(1,690)	7,465
SWIM-FARRELLY	1,662				(788)	874
SWIM-BOYS & GIRLS CLUB	8,020				(4,197)	3,823
SENIOR CENTER	16,008				(3,451)	12,557
PARKS MAINTENANCE	(14,860)	51,000			11,444	47,584
LIBRARY ADMINISTRATION	123,328				(14,556)	108,772
LIBRARY - CASA AND MUSEUM	(51,780)				(1,343)	(53,123)
BOOKMARK CAFE	21,526					21,526
SUPPORT SERVICES	22,858				623	23,481
TRANSFERS OUT	-				400,000	400,000
TOTAL GENERAL FUND ADJUSTMENTS	\$254,650	\$ 987,490	\$ -	\$ -	\$2,000,723	\$ 3,242,863
DEVELOPMENT FEES FOR STREET IMPROVEMENTS (DFSI) FUND						
ADVANCED PLANNING	\$ -	\$ 33,000				\$ 33,000
TRAFFIC STUDIES & SIGNAL EQUIPMENT 2014-15		20,000				20,000
TOTAL DFSI FUND ADJUSTMENTS	\$ -	\$ 53,000	\$ -	\$ -	\$ -	\$ 53,000
PARKING FUND						
PARKING METER OPERATION	\$ 4,830				\$ (1,684)	\$ 3,146
PARKING LOT OPERATION	850					850
PARKING STRUCTURE	462				(1,494)	(1,032)
TOTAL PAARKING FUND ADJUSTMENTS	\$ 6,142	\$ -	\$ -	\$ -	\$ (3,178)	\$ 2,964
GAS TAX FUND						
STREET TRAFFIC SIGNS	\$ -				\$ 1,246	\$ 1,246
STREET MAINTENANCE	2,928				8,406	11,334
TOTAL GAS TAX FUND ADJUSTMENTS	\$ 2,928	\$ -	\$ -	\$ -	\$ 9,652	\$ 12,580
GAS TAX SECTION (2103) FUND						
ANNUAL OVERLAY/REHAB 2014-15	\$ -	\$ (43,000)				\$ (43,000)
ANNUAL STREET SEALING 2014-15	-	(328,565)				(328,565)
TOTAL GAS TAX (SECTION 2103) FUND ADJUSTMENTS	\$ -	\$ (371,565)	\$ -	\$ -	\$ -	\$ (371,565)
MEASURE F (VRF) FUND						
ANNUAL OVERLAY/REHAB 2014-15	\$ -	\$ (40,919)				\$ (40,919)
ANNUAL STREET SEALING 2014-15	-	47,253				47,253
ROADWAY GRANT MATCHING FUNDS	-	123,408				123,408
TOTAL MEASURE F (VRF) FUND ADJUSTMENTS	\$ -	\$ 129,742	\$ -	\$ -	\$ -	\$ 129,742
ACTIA (MEASURE B) FUND						
ANNUAL SIDEWALK PROGRAM - B&P	\$ 2,299					\$ 2,299
ANNUAL SIDEWALK PROGRAM - S&R	2,868					2,868
ANNUAL OVERLAY/REHAB 2014-15	-	(195,956)				(195,956)
ANNUAL STREET SEALING 2014-15	-	281,312				281,312
CIP ADVANCE PLANNING		50,000				50,000
TOTAL ACTIA (MEASURE B) FUND ADJUSTMENTS	\$ 5,167	\$ 135,356	\$ -	\$ -	\$ -	\$ 140,523
HERON BAY MAINTENANCE ASSESSMENT DISTRICT FUND						
HERON BAY MAINTENANCE DISTRICT	\$ (9,902)	\$ 1,000			\$ 623	\$ (8,279)
TOTAL HERON BAY FUND ADJUSTMENTS	\$ (9,902)	\$ 1,000	\$ -	\$ -	\$ 623	\$ (8,279)

**RECOMMENDED BUDGET ADJUSTMENTS - EXPENDITURE DETAIL
2014-15**

Department	Salaries/ Benefits	Services	Supplies	Capital Outlay	Other	Total Adjustments
GRANTS FUND						
PARATRANSIT PROGRAM - TDA	\$ (12,144)					\$ (12,144)
MEASURE B GAP (TRANSIT GRANT)	(7,119)					(7,119)
SENIOR CENTER	(47)					(47)
LSTA GRANTS	26,602					26,602
PROJECT LITERACY PROGRAM	838					838
TOTAL GRANTS FUND ADJUSTMENTS	\$ 8,130	\$ -	\$ -	\$ -	\$ -	\$ 8,130
COMMUNITY DEVELOPMENT BLOCK GRANT (CBDG) FUND						
ANNUAL SIDEWALK PROGRAM - S&R	\$ -	\$ 69,313				\$ 69,313
CDBG ADMINISTRATION	(4,300)					(4,300)
TOTAL CBDG FUND ADJUSTMENTS	\$ (4,300)	\$ 69,313	\$ -	\$ -	\$ -	\$ 65,013
HOME GRANT FUND						
HOME GRANT ADMINISTRATION	\$ 38					\$ 38
TOTAL HOME GRANT FUND ADJUSTMENTS	\$ 38	\$ -	\$ -	\$ -	\$ -	\$ 38
LINKS SHUTTLE FUND						
LINKS SHUTTLE	\$ -	\$ 50,000				\$ 50,000
TOTAL LINKS SHUTTLE FUND ADJUSTMENTS	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
PUBLIC EDUCATION & GOVERNMENT (PEG) FUND						
PEG	\$ -	\$ 22,184				\$ 22,184
TOTAL PEG FUND	\$ -	\$ 22,184	\$ -	\$ -	\$ -	\$ 22,184
CAPITAL IMPROVEMENTS PROJECTS FUND						
CASA PERALTA IMPROVEMENTS	\$ -	\$ 300,000				\$ 300,000
MARINA STREETSCAPE		50,000				50,000
TOTAL CAPITAL IMPROVEMENT PROJECTS FUND ADJUSTMENTS	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000
WATER POLLUTION CONTROL PLANT ENTERPRISE FUND						
WPCP - COLLECTION SYSTEM	\$ 41,785	\$ 2,500			\$ (16,395)	\$ 27,890
WPCP - OPERATIONS	294,778	72,905	9,800		8,300	385,783
EAST BAY DISCHARGERS AUTHORITY (EBDA)	8,626	1,200			1,557	11,383
EBMUD	(5,568)					(5,568)
CIP ADVANCE PLANNING	-	20,000				20,000
SEWER/LIFT STATION REPLACEMENT RENEWAL	-	(5,000)	5,000	10,000		10,000
W.P.C.P. RENEWAL & REPLACEMENT	-	(96,405)				(96,405)
WPCP REHABILITATION - CM	675					675
TOTAL WATER POLLUTION CONTROL PLANT FUND ADJUSTMEN	\$340,296	\$ (4,800)	\$14,800	\$ 10,000	\$ (6,538)	\$ 353,758
ENVIRONMENTAL COMPLIANCE ENTERPRISE FUND						
CERTIFIED UNIFIED PROGRAM AGENCY (CUPA)	\$ 1,346	\$ 100	\$ (100)		\$ (5,008)	\$ (3,662)
PRETREATMENT	(3,408)	(500)	500		(4,385)	(7,793)
STORM WATER	-				11,594	11,594
RECYCLING - PROGRAM	1,015				623	1,638
RECYCLING - MEASURE D	8,396				(59)	8,337
TOTAL ENVIRONMENTAL COMPLIANCE FUND ADJUSTMENTS	\$ 7,349	\$ (400)	\$ 400	\$ -	\$ 2,765	\$ 10,114
SHORELINE ENTERPRISE FUND						
GOLF COURSE OPERATION	\$ (7,027)					\$ (7,027)
MARINA OPERATIONS	(31,663)				281	(31,382)
SHORELINE OPERATIONS & MAINTENANCE	(3,553)				(471)	(4,024)
TOTAL SHORLINE FUND ADJUSTMENTS	\$ (42,243)	\$ -	\$ -	\$ -	\$ (190)	\$ (42,433)
STORM WATER ENTERPRISE FUND						
STORM WATER COMPLIANCE ADMINISTRATION	\$ 10,591					\$ 10,591
STREET CLEANING	(1,479)				12,364	10,885
TOTAL STORM WATER FUND ADJUSTMENTS	\$ 9,112	\$ -	\$ -	\$ -	\$ 12,364	\$ 21,476

**RECOMMENDED BUDGET ADJUSTMENTS - EXPENDITURE DETAIL
2014-15**

Department	Salaries/ Benefits	Services	Supplies	Capital Outlay	Other	Total Adjustments
BUILDING MAINTENANCE INTERNAL SERVICE FUND						
BUILDING MAINTENANCE	\$ (24,487)	\$ (10,000)	\$ 10,000		\$ 5,262	\$ (19,225)
POOL MAINTENANCE	438					438
TOTAL BUILDING MAINTENANCE FUND ADJUSTMENTS	\$ (24,049)	\$ (10,000)	\$ 10,000	\$ -	\$ 5,262	\$ (18,787)
INFORMATION TECHNOLOGY INTERNAL SERVICE FUND						
TELEPHONE/COMPUTER SERVICES	\$ 4,486	\$ 25,000		\$ 19,000	\$ (976)	\$ 47,510
CENTRAL SERVICES	2,484				(1,729)	755
TOTAL INFORMATION TECHNOLOGY FUND ADJUSTMENTS	\$ 6,970	\$ 25,000	\$ -	\$ 19,000	\$ (2,705)	\$ 48,265
INSURANCE SERVICES INTERNAL SERVICE FUND						
ADMINISTRATION	\$ 3,418					\$ 3,418
WORKERS' COMPENSATION INSURANCE	(281)					(281)
TOTAL INSURANCE SERVICES FUND ADJUSTMENTS	\$ 3,137	\$ -	\$ -	\$ -	\$ -	\$ 3,137
EQUIPMENT MAINTENANCE INTERNAL SERVICES FUND						
CITY GARAGE	\$ 8,711				\$ (152)	\$ 8,559
VEHICLE PURCHASES AND REPLACEMENTS	-			215,773		215,773
TOTAL EQUIPMENT MAINTENANCE FUND ADJUSTMENTS	\$ 8,711	\$ -	\$ -	\$ 215,773	\$ (152)	\$ 224,332
SUCCESSOR AGENCY FUND						
RETIREMENT OBLIGATIONS - PROJECT AREAS	\$ (8,101)					\$ (8,101)
RETIREMENT OBLIGATIONS - HOUSING	2,087					2,087
TOTL SUCCESSOR AGENCY FUND ADJUSTMENTS	\$ (6,014)	\$ -	\$ -	\$ -	\$ -	\$ (6,014)
TOTAL ALL FUND ADJUSTMENTS	\$ 566,122	\$ 1,436,320	\$ 25,200	\$ 244,773	\$ 2,018,626	\$ 4,291,041